

SENATE BILL REPORT

SB 5589

As Reported By Senate Committee On:
Ways & Means, March 5, 2007

Title: An act relating to law enforcement officer and firefighter retirement system plan 2 retiree medical.

Brief Description: Addressing law enforcement officer and firefighter retirement system plan 2 retiree medical.

Sponsors: Senators Keiser, Schoesler, Kohl-Welles, Parlette, Rasmussen and Delvin; by request of LEOFF Plan 2 Retirement Board.

Brief History:

Committee Activity: Ways & Means: 3/05/07, 3/05/07 [DPS].

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: That Substitute Senate Bill No. 5589 be substituted therefor, and the substitute bill do pass.

Signed by Senators Prentice, Chair; Pridemore, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Carrell, Fairley, Hatfield, Hobbs, Keiser, Kohl-Welles, Oemig, Parlette, Rasmussen, Regala, Roach, Rockefeller, Schoesler and Tom.

Staff: Erik Sund (786-7454)

Background: The Law Enforcement Officers' and Fire Fighters' Retirement System Plan 2 (LEOFF 2) provides retirement benefits to full-time and fully-compensated law enforcement officers and fire fighters who first entered membership-eligible employment on or after October 1, 1977. Members of LEOFF 2 are eligible for full retirement benefits beginning at age 53. LEOFF 2 members who have earned 20 or more years of service credit may retire early beginning at age 50, with a 3 percent per year reduction for each year that he or she retires before age 53.

LEOFF 2 does not provide retiree health care benefits. Retired state employees belonging to LEOFF 2 may continue to purchase coverage through the Washington State Health Care Authority (HCA) if they elect to continue coverage at the time of retirement. Local government employers may choose to allow members to continue their health care coverage after retirement, however this is not mandated.

Summary of Bill: Retired members of LEOFF 2 may purchase health care benefits through the Washington State HCA. The health coverage would include benefits for eligible retired

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LEOFF 2 members not yet eligible for parts A and B of Medicare in the community-rated risk pool; insurance rates charged to retired LEOFF 2 retirees would be based on the experience of the community rated risk pool. The premiums charged to LEOFF 2 retirees who are eligible for Medicare would be calculated from a separate experience risk pool, and those premiums would be reduced by the state-funded prescription drug subsidy under RCW 41.05.085.

EFFECT OF CHANGES MADE BY RECOMMENDED SUBSTITUTE AS PASSED COMMITTEE (Ways & Means): The act may not take effect unless funding is provided in the budget bill for the specific purpose of paying for the benefits that the act provides.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony: None.

Persons Testifying: No one.